

# HOUSE BILL 198

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By: **Chair, Economic Matters Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Introduced and read first time: January 28, 2011

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Financial Institutions – Authority of Commissioner of Financial Regulation –**  
3 **Information Sharing**

4 FOR the purpose of authorizing the Commissioner of Financial Regulation to enter  
5 into cooperative and information-sharing agreements and to exchange  
6 information about a financial institution with certain federal or state law  
7 enforcement agencies under certain circumstances; increasing the number of  
8 agencies with which the Commissioner may enter into cooperative or  
9 information-sharing agreements to include the Office of Foreign Assets Control;  
10 providing that if the Commissioner receives a record from an agency that  
11 retains ownership of the record, the Commissioner may not disclose the record  
12 to any person that requests the record under the Maryland Freedom of  
13 Information Act; requiring the Commissioner to forward the request to the  
14 agency that owns the record for processing in accordance with certain laws and  
15 regulations; altering a certain definition; making certain clarifying and  
16 conforming changes; and generally relating to the authority of the  
17 Commissioner of Financial Regulation to supervise financial institutions.

18 BY repealing and reenacting, with amendments,  
19 Article – Financial Institutions  
20 Section 2–117, 5–901(g), and 5–909  
21 Annotated Code of Maryland  
22 (2003 Replacement Volume and 2010 Supplement)

23 BY repealing and reenacting, without amendments,  
24 Article – Financial Institutions  
25 Section 5–901(a)  
26 Annotated Code of Maryland  
27 (2003 Replacement Volume and 2010 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article – Financial Institutions**

4 2–117.

5 (a) Subject to subsections [(b) and (c)] **(B), (C), AND (D)** of this section,  
6 notwithstanding any other provision of [state] **STATE** laws or regulations, the  
7 Commissioner may:

8 (1) Enter into cooperative and information sharing agreements with  
9 any federal or state regulatory agency having authority over financial institutions **OR**  
10 **WITH ANY FEDERAL OR STATE LAW ENFORCEMENT AGENCY**, provided that the  
11 agreements prohibit the agency from disclosing any shared information without prior  
12 written consent from the Commissioner regarding disclosure of the particular  
13 information; and

14 (2) Exchange information about a financial institution, including  
15 information obtained during an examination, with any federal or state regulatory  
16 agency having authority over the financial institution **OR WITH ANY FEDERAL OR**  
17 **STATE LAW ENFORCEMENT AGENCY**.

18 **(B) IF THE COMMISSIONER RECEIVES A RECORD FROM AN AGENCY**  
19 **UNDER A COOPERATIVE AND INFORMATION SHARING AGREEMENT AUTHORIZED**  
20 **BY SUBSECTION (A)(1) OF THIS SECTION AND THE AGENCY EXPRESSLY RETAINS**  
21 **OWNERSHIP OF THE RECORD, EITHER IN WRITING OR BY LAW OR REGULATION,**  
22 **THE COMMISSIONER:**

23 **(1) MAY NOT DISCLOSE THE RECORD TO ANY PERSON THAT**  
24 **REQUESTS THE RECORD UNDER §§ 10–611 THROUGH 10–628 OF THE STATE**  
25 **GOVERNMENT ARTICLE; AND**

26 **(2) SHALL FORWARD THE REQUEST FOR THE RECORD TO THE**  
27 **AGENCY THAT OWNS THE RECORD FOR PROCESSING IN ACCORDANCE WITH THE**  
28 **LAWS OR REGULATIONS GOVERNING DISCLOSURE OF THE AGENCY’S RECORDS.**

29 **[(b)] (C)** Notwithstanding § 2–113(d) of this subtitle, an affiliate as defined  
30 in § 2–113(a) of this subtitle is subject to subsection (a) of this section if that affiliate  
31 maintains or is required to maintain a license issued by the Commissioner.

32 **[(c)] (D)** This section does not authorize the Commissioner to share or  
33 exchange information in any way prohibited by federal law.

34 5–901.

1 (a) In this subtitle the following words have the meanings indicated.

2 (g) “Bank supervisory agency” means:

3 (1) The Office of the Comptroller of the Currency, the Federal Deposit  
4 Insurance Corporation, [and] the Board of Governors of the Federal Reserve System,  
5 **AND THE OFFICE OF FOREIGN ASSETS CONTROL**, and any successor to these  
6 agencies;

7 (2) Any agency of another state with primary responsibility for  
8 chartering and supervising banks; and

9 (3) Any agency of a foreign country with primary responsibility for  
10 chartering and supervising banks.

11 5–909.

12 (A) In order to carry out the purposes of this article, the Commissioner may:

13 (1) Adopt regulations; and

14 (2) [Enter] **SUBJECT TO SUBSECTION (B) OF THIS SECTION,**  
15 **ENTER** into cooperative or information–sharing agreements with any other bank  
16 supervisory agency.

17 (B) **IF THE COMMISSIONER RECEIVES A RECORD FROM A BANK**  
18 **SUPERVISORY AGENCY UNDER A COOPERATIVE OR AN INFORMATION–SHARING**  
19 **AGREEMENT AUTHORIZED BY SUBSECTION (A)(2) OF THIS SECTION AND THE**  
20 **BANK SUPERVISORY AGENCY EXPRESSLY RETAINS OWNERSHIP OF THE RECORD,**  
21 **EITHER IN WRITING OR BY LAW OR REGULATION, THE COMMISSIONER:**

22 (1) **MAY NOT DISCLOSE THE RECORD TO ANY PERSON THAT**  
23 **REQUESTS THE RECORD UNDER §§ 10–611 THROUGH 10–628 OF THE STATE**  
24 **GOVERNMENT ARTICLE; AND**

25 (2) **SHALL FORWARD THE REQUEST FOR THE RECORD TO THE**  
26 **BANK SUPERVISORY AGENCY THAT OWNS THE RECORD FOR PROCESSING IN**  
27 **ACCORDANCE WITH THE LAWS OR REGULATIONS GOVERNING DISCLOSURE OF**  
28 **THE BANK SUPERVISORY AGENCY’S RECORDS.**

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 October 1, 2011.